

**FLOOD DIVERSION BOARD OF AUTHORITY
SEPTEMBER 12, 2014—3:30 PM**

1. MEETING TO ORDER

A meeting of the Flood Diversion Board of Authority was held Friday, September 12, 2014, at 3:30 PM in the Fargo City Commission Room with the following members present: Cass County Commissioner Ken Pawluk; Cass County Commissioner Vern Bennett; West Fargo City Commissioner Mike Thorstad; Fargo City Commissioner Tim Mahoney; Fargo City Commissioner Melissa Sobolik; Fargo City Commissioner Mike Williams; Cass County Joint Water Resource District Manager Mark Brodshaug; Clay County Commissioner Kevin Campbell; and Moorhead City Council Member Nancy Otto. Also present was ex-officio member Gerald Van Amburg, Buffalo-Red River Watershed District.

Staff members and others present: Moorhead City Manager Michael Redlinger; Fargo City Director of Engineering Mark Bittner; Fargo City Engineer April Walker; Tom Dawson, Chairman, Chamber of Commerce Business Leader Task Force; Ty Smith, Construction Manager, CH2MHill; Brett Coleman, Project Manager, Corps of Engineers; and Terry Williams, Project Manager, Corps of Engineers.

2. MINUTES APPROVED

MOTION, passed

Mr. Campbell moved and Mr. Thorstad seconded to approve minutes from the August 14, 2014, regular meeting and August 28, 2014, special meeting as presented. Motion carried.

3. AGENDA ORDER

MOTION, passed

Mr. Pawluk moved and Mr. Campbell seconded to approve the order of the agenda. Motion carried.

4. MANAGEMENT UPDATE

Program management consultant (PMC) report

CH2MHill Construction Manager Ty Smith provided an update on bidding activities. On September 9, sealed bids for the construction of the 4th Street pump station and gatewell and the 2nd Street floodwall, Work Package 42A.1/42A.3, were received and opened. Staff and legal representatives determined that no satisfactory bids were received to meet the minimum qualifications for the job. Mr. Smith recommended that the board reject the bids and re-advertise the work package with a new bid opening date of October 14th.

MOTION, passed

Ms. Sobolik moved and Mr. Pawluk seconded to reject the bids received and to re-advertise the work packages for the 4th Street pump station and gatewell and the 2nd Street floodwall, Work Package 42A.1/42A.3. On roll call vote, the motion carried unanimously.

Mr. Smith said the bid opening for the 2nd Street N pump station, Work Package 42A.2, will be moved from September 16th to September 30th. A special board meeting will be requested for October 2nd to approve the contract.

Mr. Smith also provided an update on activities over the last month including construction of the Oxbow/Hickson/Bakke (OHB) levee; demolition of a vacant property in preparation for future construction in Oxbow; and pre-load gatewell work.

Nancy Otto arrived for the remainder of the meeting.

Corps of Engineers report

Brett Coleman provided an update of activities by Corps of Engineers staff including Maple River aqueduct physical model work; continued coordination and information to the Minnesota DNR during their EIS process; participation in weekly OHB levee coordination meetings; and continued coordination on in-town levee design.

Mr. Coleman said it is sometimes beneficial to review parts of the diversion project for those who are newly involved. The diversion project is designed to provide benefits for a 100-year event, with an allowance for communities to use emergency measures to flood fight to a 500-year event. An operation plan coordinated with the Corps, non-federal sponsors, and environmental agencies is in the process of being developed. Once a project partnership agreement (PPA) is executed, the non-federal sponsors of the project will accept responsibility for its maintenance and operation.

Mr. Pawluk asked about other flood protection options. Mr. Coleman said through the federal EIS process many alternatives were explored, but only one feasible plan presented itself: the FM Diversion Project. Ms. Williams added that the plan has been authorized by Congress for construction, which further supports the single plan.

Mr. Pawluk asked why the project cannot be built with levees. Ms. Williams said using levees alone for flood protection does not meet the purpose and need for protection to a 100-year certification level. Once the capacity of a levee system is reached there is no further protection available.

Dr. Mahoney said the plan the Corps has chosen is the best alternative for long-term flood protection. Ms. Williams said the Minnesota DNR is looking at a northern alternative plan, which would move the diversion one mile north. A similar plan was ruled out by the Corps as it would impact more residential structures and be more expensive.

5. ADMINISTRATIVE/LEGAL UPDATE

Attorney Nancy Morris provided the legal update. Ms. Morris said there is no news to report in regards to the lawsuits. At the request of the Diversion Board of Authority, a scheduling conference was scheduled for September 25th between the involved parties.

6. TECHNICAL UPDATE

Task Orders / Authority Work Directives (AWD)

Mr. Smith reviewed one Task Order in the amount of \$50,000 with Terracon Consultants, Inc. for material testing services associated with the in-town levees; and one Authority Work Directive in the amount of \$20,000 with Houston Moore Group (HMG) for additional design detail for the Mickelson field levee extension to consider the properties to be

acquired.

MOTION, passed

Ms. Otto moved and Ms. Sobolik seconded to approve Task Order No. 1 with Terracon Consultants and AWD-00042 with HMG for a total of \$70,000. On roll call vote, the motion carried unanimously.

7. PUBLIC OUTREACH UPDATE

Committee report

Mr. Brodshaug provided a written report on the activities of the Public Outreach Committee. There have been several presentations given to various groups and the public. Mr. Brodshaug said any groups or entities interested in presentations should make a request to the outreach team.

Dr. Mahoney praised Mr. Campbell and Ms. Otto on their representation of the Diversion Board in a meeting with Minnesota Governor Mark Dayton. The information they provided was factual and they gave a voice to residents on the Minnesota side of the diversion project.

Business Leaders Task Force update

Mr. Dawson said there is no update for the Task Force at this time. They would like to have another meeting in the next month.

8. LAND MANAGEMENT UPDATE

Committee report

There was no update for the Land Management Committee.

RFQ's for Ag Risk Economic Evaluation Proposal

AE2S Program Management Consultant Eric Dodds presented a letter regarding a Request to Proceed with Agreement for Ag Risk Evaluation for Temporary Water Retention Easement Values and Crop Insurance. A Request for Qualifications (RFQ) proposal was published for the study, which will aim to assist the Diversion Board of Authority to determine the impact on flowage easements through providing a supplemental crop insurance product on lands in the staging area. Four responses were received by the review committee. The recommendation is to enter into an agreement with the Agribusiness and Applied Economics Department of North Dakota State University (NDSU) to conduct this study at a cost not to exceed \$70,000.

MOTION, passed

Ms. Otto moved and Mr. Pawluk seconded to authorize the committee chairman to sign an agreement, not to exceed \$70,000, with the Agribusiness and Applied Economics Department of North Dakota State University to conduct the Ag Risk Evaluation for Temporary Water Retention Easement Values and Crop Insurance. On roll call vote, the motion carried unanimously.

CCJWRD update

Mr. Brodshaug provided a Land Management Summary handout that included information on completed acquisitions, budget figures, and completed negotiations. Highlighted areas show changes from the previous update.

Initial negotiation meetings will begin this week with seven homeowners in Oxbow for properties that are required for work in 2015.

A quick-take process has begun on one agricultural parcel near Oxbow as the negotiation process was stalled and the parcel is needed this fall.

9. FINANCE UPDATE

Budget for FY2015

Cass County Auditor Michael Montplaisir said the Finance Committee reviewed the FY2015 budget during their meeting on September 10th. The main use of funds over the next year will be for work in Oxbow and on the in-town levees. The main sources of funds will be the sales tax in Cass County and the City of Fargo, appropriations through the state, and loan advances.

Mr. Pawluk said he heard a news report that North Dakota will have to pay \$600 million; Cass County residents will have to pay another \$600 million; and the local share of the diversion project will be funded with property taxes. Mr. Montplaisir said the diversion financing plan has always been for a \$1.8 billion project. The federal government will contribute about \$800 million, Minnesota will contribute \$100 million, and the remaining \$900 million will be split between local North Dakota sponsors and the state. The only property tax component of the funding would come from a potential special assessment district that would essentially act as a co-sign for bonds. The financing plan will ultimately depend on how much federal appropriations are received and the final cost of the project.

Mr. Montplaisir said diversion financing information can be found within diversion financing documents on the diversion website.

MOTION, passed

Mr. Pawluk moved and Mr. Bennett seconded to approve the FY2015 budget as presented. On roll call vote, the motion carried unanimously.

Voucher approval

The bills for the month are for legal services with Erik Johnson & Associates and the cost share for digital map updates with the City of Fargo.

MOTION, passed

Ms. Otto moved and Mr. Thorstad seconded to approve the vouchers for August 2014. On roll call vote, the motion carried unanimously.

10. NEXT MEETING DATE

The next meeting will be held on Thursday, October 9, 2014, at 3:30 PM.

11. ADJOURNMENT

MOTION, passed

On motion by Ms. Sobolik, seconded by Mr. Bennett, and all voting in favor, the meeting was adjourned at 4:04 PM.